Declassified and Approved For Release 2012/05/31 : CIA-RDP98-00204R000100050018-6

1806

SNIE 12.4-60
3 May 1960

SECRET

RR

SPECIAL
NATIONAL INTELLIGENCE ESTIMATE
NUMBER 12.4-60

THE SITUATION AND PROSPECTS IN EAST GERMANY

Submitted by the
DIRECTOR OF CENTRAL INTELLIGENCE

The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff.

Concurred in by the
UNITED STATES INTELLIGENCE BOARD

on 3 May 1960. Concurring were the Director of Intelligence and Research, Department of State; the Assistant Chief of Staff for Intelligence, Department of the Army; the Assistant Chief of Naval Operations for Intelligence, Department of the Navy; the Assistant Chief of Staff, Intelligence, USAF; the Director for Intelligence, The Joint Staff; the Assistant to the Secretary of Defense, Special Operations; and the Director of the National Security Agency. The Atomic Energy Commission Representative to the USIB, and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.

SECRET

No. 363

Declassified and Approved For Release 2012/05/31 : CIA-RDP98-00204R000100050018-6

Declassified and Approved For Release 2012/05/31 : CIA-RDP98-00204R000100050018-6

THE SITUATION AND PROSPECTS IN EAST GERMANY

THE PROBLEM

To assess the situation in East Germany and the outlook for the Communist regime there over the next several years.

CONCLUSIONS

1. The strength and stability of East Germany has grown significantly in recent years. The regime in the last analysis depends upon Soviet support, and the presence of Soviet troops tends to spare the leadership any ultimate test of its authority; but it is strong enough now to withstand those internal stresses and strains it is likely to undergo. The SED (the Communist Party) now has no serious difficulty in enforcing its political will. The recent growth of East German industry has been rapid, and there will probably be substantial increases in production over the next few years. There will remain, however, serious troubles in agriculture. Though living standards will remain lower than in West Germany, they will probably continue to rise, and the political importance of the disparity and the economic incentive to move West will continue to decline. (*Paras. 8, 15–18*)

2. There has been a gradual accommodation by the population to the regime, reflecting the sharp decline in the expectation that the Western Powers will be able to effect a Communist withdrawal and restore the unity of Germany. This attitude is, however, purely conditional; beneath the surface there remain strong anti-Soviet sentiments and a deep-seated all-German national consciousness. The very nature of Communist totalitarian rule is such that if opposition broke out it would probably do so suddenly, violently, and without previous planning. If disorders became widespread, the security forces, including the army, would probably not be reliable or adequate. (*Paras. 12, 14*)

3. We believe that the time is not far off when the Soviets, without hazarding the internal security of the regime, could make substantial troop withdrawals, perhaps as much as one-half of their present forces. A smaller withdrawal, though one large enough to have propaganda impact, might be made at any time. Nevertheless, we believe that the Soviets will feel obliged for the foreseeable future to maintain in East Germany sufficient

Declassified and Approved For Release 2012/05/31 : CIA-RDP98-00204R000100050018-6

Declassified and Approved For Release 2012/05/31 : CIA-RDP98-00204R000100050018-6

troops to cope with a general breakdown of regime security. The Soviets are unlikely to underestimate the hazard to Communist control of East Germany inherent in the continued existence of another and stronger Germany. (*Paras. 25–26*)

4. The Soviet and SED leaders almost certainly do not consider the final end of their policy to be merely the achievement of political and economic stability in this area fragmented from the German nation. They almost certainly hope that, by fashioning East Germany into an example of the "superiority of the socialist system," they can have in the East German regime a powerful instrument which can advance their cause in West Germany now and be ready to exploit the internal crisis in West Germany and the Western alliance which they anticipate. (*Paras. 19–20*)

5. The manner in which the West Berlin problem is handled will have a considerable effect on the prestige and authority of the East German regime. Should the East German people come to consider that the freedom of West Berlin is likely to be lost or even compromised, the belief that Communist power in East Germany was unshakeable would increase greatly. On the other hand, if the Communists appeared clearly rebuffed on Berlin, the prestige of the East German regime would be set back, and the tendency toward accommodation with it would be at least temporarily arrested. (*Para. 21*)

6. If Germany continues divided for many years, East Germany will probably continue to gain in political stability and economic power, and internal threats to public security will diminish. It will remain, however, a fragment of the German nation and, as a creature of Soviet policy, its regime is unlikely ever to be able to associate with itself the force of German national sentiment. Its security will continue to be threatened by any shift in the relation of forces in Central and Eastern Europe which seems likely to give an opportunity for the reassertion of German national aspirations. (*Para. 27*)

DISCUSSION

I. INTRODUCTION

7. In June 1953 the East German regime was challenged by an open revolt from which it was saved only by the intervention of Soviet troops. Developments since then, and the continued presence of Soviet troops, make any similar challenge today seem improbable. Our purpose in this estimate is to appraise the trends which have strengthened this regime's hold on power and to estimate its prospects.

II. TRENDS AFFECTING THE STRENGTH AND STABILITY OF THE EAST GERMAN REGIME

The Political System

8. In East Germany, as in any Communist state, the strength and effectiveness of the party apparatus, the main instrument of political power, is crucial. Since the 1953 episode, the Socialist Unity Party (SED) has encountered no serious difficulty in enforcing its political will on the country. Its success has doubtless been aided by German submis-

Declassified and Approved For Release 2012/05/31 : CIA-RDP98-00204R000100050018-6

Declassified and Approved For Release 2012/05/31 : CIA-RDP98-00204R000100050018-6

siveness to constituted authority, but even more by a Soviet military occupation on a larger scale than anywhere else in Eastern Europe. There continues to be a certain amount of tension between central party organs and local administrators who, caught between orders from Berlin and a disaffected population, tend to drag their feet in executing party programs. Even though much of the rank-and-file membership joined for opportunistic reasons, the party has developed administrative cadres down to the local level which appear to be at least effective enough for its purposes. While the bulk of the younger generation in East Germany is politically estranged, a substantial part of the party apparatus is now composed of younger members who have been carefully selected and schooled and who are probably generally reliable.

9. The real strength of the SED, however, has been in the hard core of professional Communists which forms the central party apparatus. The continuity of leadership provided since 1945 by Walter Ulbricht has reinforced this strength. Although he is widely detested, even within party ranks, his dominating personality and personal ascendancy have saved the SED from serious factionalism, the most dangerous disease to which Communist parties are exposed. With the suppression in 1958 of the opposition led by Karl Schirdewan, the party's unity seems to have been firmly restored. Disagreements over internal policy, mainly with respect to the pace and methods of pushing on toward full "socialism," continue to arise, but these seem now to be resolved within the framework of routine party discipline. The chances of a serious factional split over the main lines of party policy seem to have declined as the worst economic difficulties have been overcome and the fear of popular resistance has subsided. In recent years, the more open commitment of Soviet policy to a prolonged division of Germany has also silenced those Communists who seem to have favored a policy of avoiding a further hardening of that division.

10. The capability of the regime to cope with internal security problems has improved. The security police has gained in professional quality and experience. Attempts at sustained conspiratorial activity are now unlikely to escape detection, and significant organized opposition is for all practical purposes nonexistent. The German Evangelical Church remains the only important body having organizational connections outside East Germany, but its significance is chiefly as a focus of moral opposition. Local outbreaks of disorder could and probably would be suppressed by the internal security forces. If they were to become widespread, however, it is doubtful that even the East German Army could be relied upon to quell them. The presence of Soviet troops as the final guarantee of the security of the regime tends to spare the East German forces any ultimate test.

11. Another indication of the regime's stability is the considerable reduction of direct Soviet control over the day-to-day affairs of the regime. Soviet advisers, who as late as 1953 and 1954 were stationed in all important East German ministries and in the armed forces down to battalion level, have been gradually withdrawn. By the fall of 1958, only a few Soviet advisers remained, and these were principally with the security and intelligence services. There are no longer Soviet advisers in the party itself, control now being exercised through contacts between the top East German and Soviet leaders. This change in direct Soviet control reflected the alteration in Soviet methods which occurred in all the satellite countries after the death of Stalin. In consequence, the East German leaders, having been encouraged to do so by the Soviets, have tried to act more as if theirs were an independent regime, and they probably at times have even applied a certain pressure on Moscow to adopt the kind of policies which best suited East German interests.

Popular Attitudes

12. Also important to the more stable security situation has been a gradual accommodation on the part of the population to the Communist regime. Both the growing economic

Declassified and Approved For Release 2012/05/31 : CIA-RDP98-00204R000100050018-6

Declassified and Approved For Release 2012/05/31 : CIA-RDP98-00204R000100050018-6

strength of the regime and the relative increase in Soviet power have contributed to this trend. There is even some pride in East Germany's achievements. Large numbers of those least willing to make the accommodation left in the heavy refugee exodus of previous years. The attitudes of those who remain reflect a sharp decline, intensified by the events in Hungary in 1956, in any expectation that Western policy will be able to effect a Communist withdrawal and restore the unity of the country. There is even some resentment of what is taken to be a lack of interest and effort for reunification in West Germany, and this acts psychologically to favor accommodation. The economic incentive to opposition or flight is also diminishing for most groups as living conditions improve.

13. In part due to these factors and also in part to the increased effectiveness of GDR security measures, the flow of refugees has declined sharply over the last two or three years.[1] Periodic upsurges continue to occur, however, as new pressures are brought to bear on particular occupational groups. The movement to East Germany from the West, although it has remained approximately constant, now probably amounts to about one-third the movement out of East Germany. The current outflow of refugees probably has only a minor effect on economic growth, though it does from time to time accentuate shortages of specific skills. East Germans continue to have extensive personal and family contacts with West Germans, and this factor probably has sustained the refugee flow to some extent. These contacts are likely to diminish over time, especially in view of the obstacles which the East German regime imposes.

14. It should be emphasized, however, that the growing attitude of accommodation to the regime is a purely conditional one. It springs primarily from a sense of the hopelessness of any prospect for removing the Communist power rather than from any positive acceptance of it. Beneath the surface in East Germany there continues to be strong anti-Soviet sentiment and a deep-seated all-German national consciousness. It may even be that German nationalism is stronger today in East than in West Germany. The very circumstances of Communist totalitarian rule are such that if opposition breaks out it will probably do so suddenly, violently, and without previous planning, and become widespread. In such an event, the security forces, including the army, would probably not be reliable or adequate, and the regime would be obliged to call upon Soviet forces. Barring some fortuitous combination of circumstances, however, which by its very nature cannot be foreseen, the East German population is not likely to resort to acts of desperation against the regime.

Economic Development

15. The economic achievements of the regime in recent years are one of the main sources of its growing strength. With the near elimination of the Soviet imposed drain on the East German economy, and with recent increases in investment and foreign trade, the East German economy has become a going concern. It is still much less productive than the West German economy, but has a somewhat higher rate of growth. Industry is heavily dependent on the USSR for credits and raw materials, which has resulted in a progressively greater orientation of the whole economy to the Bloc system. About 75 percent of East German trade is now with Bloc countries, 11 percent with West Germany, and 14 percent with other non-Bloc countries. In two

[1] *Movement of Refugees from East Germany to West Germany.* (These are official West German figures based on the numbers of official applications for refugee status.)

1950		199,498
1951		165,648
1952		182,393
1953		331,390
1954		184,198
1955		252,870
1956		279,189
1957		261,622
1958		204,092
1959		143,917
1960:		
January		9,905
February		9,803
March		13,442
April	(Approx.)	17,000

Declassified and Approved For Release 2012/05/31 : CIA-RDP98-00204R000100050018-6

Declassified and Approved For Release 2012/05/31 : CIA-RDP98-00204R000100050018-6

of the past three years, East Germany was the USSR's most important trading partner, and in 1959 was second only to Communist China.

16. Although plans for overtaking West Germany in per capita consumption by 1965 are unlikely to be realized, living standards in East Germany have now reached or exceeded prewar levels, except in housing, and per capita consumption now is between 70 and 75 percent of that in West Germany. This ratio is unlikely to change significantly in the next few years, although the absolute East German level will continue to rise. In the process, the difference in living standards between East and West Germany is tending to lose its political importance, and the economic incentive to move West, especially for the East German industrial worker, is declining.

17. Agriculture remains the weakest spot in the economy. Last fall the party leadership, in the course of fixing responsibility for the poor results in agriculture, again focused attention on the question of farm collectivization and reaffirmed Ulbricht's program of uncompromising pressure on private farmers for collectivization. Subsequently, unexpected local successes in overcoming resistance to collectivization led to a decision to press forward with a "blitz" campaign throughout the country, and on 14 April the regime claimed that agriculture was fully collectivized. To date the campaign has for the most part only obtained the paper consent of farmers to collectivize. Actually attempting to carry out the necessary organizational measures in the countryside almost certainly will add to the already considerable short-term problems of the regime in agricultural production. For example, in the next year or so, the regime will have to reckon with strong passive resistance from the peasantry, and with considerable added expense in providing the necessary machinery and farm buildings required in the change-over from private to collective farming. Food supply problems may be aggravated temporarily, and affect popular morale. In the longer run, however, collectivization will probably result in increases in production, because it will facilitate the introduction of improved farming methods, for which the private farmer had little incentive under Communist policy.

Summary of Trends

18. It is evident that the Communists have come far in their effort to give strength and stability to the political and economic pattern they are imposing on East Germany. The notion that the state is only a frail, artificial creature of the Soviet military occupation is no longer tenable. The regime is by no means in a position as yet to stand on its own feet entirely unassisted, nor would the Soviets be likely at present to run the risk of letting it try. Nevertheless, its internal structure is strong enough now to withstand most stresses and strains arising from internal causes. Its viability seems established so long as there is no general challenge to Soviet hegemony over Eastern Europe.

III. THE LONGER TERM OUTLOOK

19. The Soviet and SED leaders almost certainly do not consider the final end of their policy to be merely the achievement of political and economic stability for a state fragmented from the German nation, even though it has become an important and productive member of the Bloc. They almost certainly hope that, by fashioning East Germany into an example of the "superiority of the socialist system," especially over the system in West Germany, they can advance their cause in Germany as a whole. The immediate aim is to show the world and the Germans that East Germany is an established political entity, that its internal measures of communization are irrevocable and acceptable to the population, and that it is a permanent part of the Bloc. They apparently hope in the next few years to realize their proclaimed goals to raise per capita production and living standards to a level comparable to those in West Germany, and at the same time complete the socialization of the country. They believe that these achievements would materially increase the regime's prestige at home and its influence in West Germany and enhance the

Declassified and Approved For Release 2012/05/31 : CIA-RDP98-00204R000100050018-6

Declassified and Approved For Release 2012/05/31 : CIA-RDP98-00204R000100050018-6

prospects of at least neutralizing West Germany and ultimately achieving the reunification of Germany under Communist aegis.

20. Whether East Germany proves able to play the role assigned to it by Communist policy obviously also depends heavily on developments in West Germany and elsewhere. In the Communists' view, West Germany and the Western alliance are bound to encounter an internal crisis ultimately, and it is their aim to have in the East German regime a powerful instrument ready to exploit the occasion when it arrives, and indeed, help to precipitate it if possible. In the meantime, however, the East German regime may itself face a number of important tests over the next several years.

21. The manner in which the problem of West Berlin is handled, now that the Soviets have made this a major issue, will have considerable significance for the prestige and authority of the East German regime. The latter clearly regards the Western presence in Berlin and the "activities" originating there as a major obstacle. For the East German population, West Berlin is a primary source of information about and contact with the West, and a possible refuge should regime pressures finally make flight imperative. Above all, it is a symbol meaning that Communist power in East Germany is not finally consolidated. Should the East German populace come to conclude that the freedom of West Berlin is likely to be lost or even compromised, the belief that Communist power in East Germany was permanent and irresistible would increase greatly. There would probably be a new rush of refugees, seizing a final chance for escape. Among those who remained, the tendency to seek accommodation with the regime would be greatly stimulated. On the other hand, if the Communist assault on the freedom of West Berlin should seem to have been clearly rebuffed, the prestige of the East German regime would be set back, and the tendency toward accommodation with it would be at least temporarily arrested.

22. The Communists attach great importance to their persistent campaign to win increased international status for East Germany by obtaining wider diplomatic recognition. Recognition by important states would not only contribute to internal stability, but would also be a long step in qualifying the regime for its intended role in the contest for Germany. To date, it has obtained formal recognition from only one non-Bloc country, Yugoslavia, but it maintains trade representation in 28 countries; one post, Cairo, has achieved the status of a consulate general, though not yet that of a diplomatic post. The UAR, Iraq, India, Finland, and Cuba are major targets, but the main East German effort at present is directed at the new African states, where they seem to have the best chances of achieving a diplomatic breakthrough. Recognition by a few countries could result from a single important stimulus, such as Soviet signature of a separate peace treaty with East Germany, or a signficant Western setback on Berlin. Such events could provide a pretext for those nations which already desire to recognize East Germany and are only seeking a suitable occasion. Prospects for widespread recognition within the next few years, however, will depend not only upon Bonn's ability to counter East German economic and political activities, but upon the strength of the Western reaction as well.

23. Within the next several years, the SED may well be faced for the first time with a succession crisis. There does not appear to be a designated successor to Ulbricht and a struggle for power will probably ensue. However, Soviet views will probably remain sufficiently authoritative within the party to insure an orderly outcome. An internal crisis which the party itself could not handle seems unlikely. At most, there might be some loss of prestige for the regime; a new leadership might seek to recoup by turning to a more lenient internal line than has been favored by Ulbricht.

24. Even if a succession crisis is successfully surmounted, however, the leadership will probably be less imposing after Ulbricht. Qualified candidates for his post seem few in number and are probably of lesser caliber. Ulbricht has been by no means a brilliant leader, but his political sagacity and his will to power have been assets to the party and regime.

Declassified and Approved For Release 2012/05/31 : CIA-RDP98-00204R000100050018-6

Declassified and Approved For Release 2012/05/31 : CIA-RDP98-00204R000100050018-6

Even if no equally powerful leader appears, however, Ulbricht's loss will tend to be offset by the development, as the regime matures, of an elite class entrenched in positions of power in the party, state, and economic administration. Thus, whatever changes of leadership may occur in the future, they are unlikely to diminish the capacity of the regime to maintain and administer power.

25. The Soviets would probably regard a reduction of their troops in East Germany as a useful maneuver at an appropriate time, e.g., in connection with the Summit, or at some stage in the disarmament game, or as an indirect political pressure against West German and NATO armament programs. They would expect such a move to be taken also as a demonstration of their confidence in the viability of the Communist regime in East Germany. We believe that the time is not far off when the Soviets, without hazarding the internal security of the regime, could reduce their troops in East Germany substantially, perhaps by as much as one-half. A smaller withdrawal, though one large enough to have propaganda impact, might be made at any time.

26. Nevertheless, we believe that the Soviets will feel obliged for the foreseeable future to maintain in East Germany sufficient troops to cope with the possibility of a general breakdown of regime security. However effective the regime's security apparatus may be against internal opposition, or however successful its economic development, the Soviets are unlikely to underestimate the hazard to Communist control of East Germany inherent in the continued existence of another and stronger Germany. Although German nationalist sentiment seems, in consequence of the defeat of 1945 and the subsequent partition of the country, to remain largely submerged today, it is too deep-rooted to be wholly without effect on the long-term relations of the two Germanies.

27. If the division of Germany continues for many years, we believe that East Germany will continue to make gains in political stability and economic power. Its population will probably remain fundamentally alienated from the regime, but will increasingly accommodate itself to life in a Communist state so that any threat to public security arising from purely internal causes will progressively diminish. Institutional and personal ties between the two parts of Germany will probably have less and less political significance. The effective influence of West Germany on developments in East Germany will probably continue to decline. Nevertheless, the persistence of nationalist sentiment in both Germanies will remain a potential hazard to the East German regime. As a fragment of the German nation whose regime is a creature of Soviet policy, East Germany is unlikely ever to be able to associate the force of national sentiment with itself and its policies. Its security will continue to be threatened by any shift in the relation of forces in Central and Eastern Europe which would seem likely to give an opportunity for the reassertion of German national aspirations.

Declassified and Approved For Release 2012/05/31 : CIA-RDP98-00204R000100050018-6